

Potential Agenda Items for 8/24/2017 conference call between Excelsior and EPA:

- a) There are many provisions that require EPA review and approval of plans or procedures before the activity can commence. Can it be assumed that any procedures or plans (e.g. well drilling procedures or closure and abandonment plans), that are contained in the permit or permit application have been reviewed and approved? If so, it would follow that only significant or material deviations from the permit-approved plans and procedures would require additional EPA review and approval before commencement? As an example, has Excelsior's injection and recovery well constructions per Attachments L and M of the application been approved, such that no further review and approval is required for this well type, unless there is a future desired deviation from Attachments L & M?
- b) Part II. C. 3. *"Drilling, work-over, and plugging procedures shall comply with applicable portions of the Arizona Oil and Gas Conservation Commission's requirements in the Arizona Administrative Code, found at Title 12, Natural Resources, Chapter 7, Article I, R12-7-108 to R12-7-127"*. We assume it is Excelsior who determines what is "applicable". In addition, parts of the AZ regulations differ from the UIC permit conditions and/or our plans/procedures in the UIC permit/application. Is it sufficient for Excelsior to determine that the UIC Permit conditions are the more applicable where conditions differ?
- c) Part II. C. 3. There is some confusion over reporting requirements. For example, *"Drilling, work-over, and plugging procedures shall be submitted to EPA for approval. Once approved, a thirty (30)-day notice shall be submitted to EPA for witnessing purposes. Procedures and records shall include the following:"* However the "following" includes records of from the drilling (e.g. daily drilling reports and casing tallies), which can't be submitted until after drilling commences. Excelsior is unsure if one or two reports are required (one pre-drilling [procedures, also see item a. above], and one or more post drilling [results])? Excelsior is also unclear on the timing of any post-drilling reports and if we report after completion of each well, or after completion of all holes of a type (e.g. all POC wells), or after all wells necessary for mining of Stage 1, Block 1 are complete?
- d) Part II. E. 4. a. Excelsior does not agree with the 0.9 "safety factor" on injection pressure. Such factor was not contained in three of the three alternate UIC permits we reviewed. We feel it needs some further justification or reasoning.
- e) Part II. E. 6. d. Excelsior does not understand the 10 milligrams per liter (mg/L) organic injection limit. We feel it needs some justification.
- f) Anything else that EPA wishes to discuss in regards to the comments provided on the draft UIC